

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE:	DOCKET NO. RMU-2016-0006
REVIEW OF COGENERATION AND SMALL POWER PRODUCTION RULES [199 IAC CHAPTER 15]	COMMENTS SUBMITTED ON BEHALF OF IOWA ASSOCIATION OF ELECTRIC COOPERATIVES

COMES NOW the Iowa Association of Electric Cooperatives (“IAEC”), by and through the undersigned attorney, and hereby submits the following comments in accordance with the Order Requesting Stakeholder Comment on Potential Rule Changes issued in this docket on July 19, 2016. As the Board is aware, the IAEC is a trade association representing 36 distribution cooperatives that provide electric service at retail to member consumers in their assigned service areas in the state of Iowa and seven generation and transmission cooperatives that provide wholesale electric service to the distribution cooperative members in the state of Iowa. The IAEC is participating in this docket on behalf of its members; however, any one of the IAEC's members may also file comments of their own.

The Order (“Order”) opening this rulemaking docket indicates that the Board is undergoing a comprehensive review of the Board’s rules at 199 IAC 15 governing cogeneration and small power production. The IAEC appreciates the Board’s willingness to utilize the Notice of Inquiry (“NOI”) process and incorporate in its Chapter 15 review the stakeholder input arising out of Docket Nos. NOI-2015-0001 and NOI-2014-0001. The IAEC applauds the Board for its continued interest in enhancing its regulations dealing with rates, interconnection costs, standards for interconnection, safety, and operating reliability; as well as advancing its

provisions related to alternate energy purchase programs, small wind innovation zones, and tax credits.

In response to the potential amendments set forth in the Proposed Notice of Intended Action, the IAEC provides the following comments.

1. Consistent with Iowa Code 476.58, the proposed amendments to rule 15.10(3)(a) include requirements that apply to interconnection customers for installations placed in service prior to July 1, 2015. The statute requires such customers to place a placard signifying the presence, or lack thereof, of a disconnection device for their distributed generation facility. The Board's proposed amendments include an additional provision for these customers that is not specified in the statute:

“If an interconnection customer with distributed generation systems installed prior to July 1, 2015, adds generation capacity to its existing system that does not require upgrades to the electric meter or electrical service, a disconnection device is not required.”

The IAEC suggests including language that (1) requires the customer to notify the electric utility before generation capacity is added to its existing system, and (2) requires the customer to comply with the electric utility's tariff, which may or may not require a disconnect device.

2. The IAEC also offers comments in response to the proposed revisions to rule 15.12. As revised, each electric utility would be required to file “information regarding the AEP or QF facilities interconnected with the electric utility's system in the previous calendar year. The information to be reported shall be defined by the board in the annual report forms.” IAEC does not oppose requirements to report information that is readily available, however, IAEC objects to obligations to expend resources to generate reports unless there is a demonstrated need and benefit to the Board associated with such requirement. Without the opportunity to review

the annual report form yet to be defined by the Board, IAEC cannot determine whether the reporting obligation is feasible for its members.

3. With regard to the Board's proposed amendments under subrule 15.19(3), IAEC expresses appreciation for the Board's effort to draft regulations that implement and clarify the complicated ownership limitations set forth in Iowa Code 476C.1. While the proposed amendments offer provisions which may support the statute's intent, the ownership interest restrictions and eligibility criteria require greater clarity. For example, new language has been added to 15.19(3)(a)(2) indicating that there shall be no ownership limitations on solar energy conservation facilities if the facility is contracted for, and not owned by, a utility described in Iowa Code Section 476.1(6)(b)(4) or (5). The IAEC questions whether that interpretation is consistent with the statute. Further, the proposed rules do not contain any details or explanation regarding how a facility would be deemed to have been "contracted for a utility." Is it sufficient for the output of a facility to be sold to a utility or must the utility have been involved in the decision-making to install the facility?

IAEC suggests the Board consider hosting a workshop for stakeholders to respond to subrule 15.19(3) and provide input to improve consistency with the code and better understanding of the limitations on ownership.

4. The Order also states that the Board requests comments regarding "subrule 15.5(3); subrules 15.17(4)-(5); and whether an application fee should be adopted for applications for preliminary eligibility for renewable energy tax credits and applications for wind energy production or renewable energy tax credits."

With regard to the specific inquiry questions, the IAEC notes that subrules 15.5(3) and 15.17(4)-(5) are only applicable to those utilities over which the Board has ratemaking authority

and IAEC defers to said stakeholders to offer comments on these provisions; however, the IAEC notes that the provisions of the Board rules regarding purchases from Qualifying Facilities as defined in the Public Utility Regulatory Policy Act ("PURPA") should be consistent with said federal law. With regard to the Board's third specific inquiry, the IAEC offers suggestions related to the adoption of an application fee for applications filed pursuant to rules 15.19, 15.20, or 15.21. The Board's rules currently do not provide a fee structure for the relevant applications. IAEC supports such a fee and suggests that fees, if required, should be based on the cost of reviewing and processing the applications. IAEC supports continuation of efforts to provide staff sufficient resources to complete a thorough analysis pursuant to 15.19, 15.20, and 15.21.

WHEREFORE, the IAEC respectfully requests the Board give these comments and responses due consideration as it proceeds to evaluate and consider potential revisions to the Board's regulations concerning cogeneration and small power production. The IAEC looks forward to continuing to participate in this docket, whether through additional rounds of written comments, workshops, or other means as deemed most appropriate by the Board and staff.

Respectfully submitted,

SULLIVAN & WARD, P.C.

By /s/ Dennis L. Puckett

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ATTORNEYS FOR THE IOWA ASSOCIATION
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CERTIFICATE OF SERVICE

I hereby certify that I have filed this pleading with the Board's Executive Secretary through the Electronic Filing System (EFS) this 18th day of August, 2016.

/s/ Dennis L. Puckett